



KENAI PENINSULA BOROUGH

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CHARLIE PIERCE
BOROUGH MAYOR

To: Charlie Pierce, Mayor *CP*
Thru: Brandi Harbaugh, Finance Director *BH*
Max Best, Planning Director *MB*
Marcus Mueller, Land Management Officer *MM*
From: Dan Conetta, Land Management Agent *D.C.*
Date: November 8, 2017
Subject: Recap of 2017 Tax Foreclosure Auction as
Authorized by KPB Ordinance 2017-20

Land Management is pleased to report that 28 of the 29 parcels that were offered in the Borough's 2017 Tax Foreclosure Sale were sold at auction on October 28, 2017. The auction was held in the Soldotna High School auditorium. The results of this sale will be posted to the KPB Land Management website. There were a total of 17 successful bidders as 4 bidders had purchased more than one parcel. 18% of the parcels sold were purchased by adjacent property owners. Five parcels sold included some substantial structure; the rest were vacant.

Expenses associated with this auction include the following:

- 1) Newspaper ads at a cost of \$2,460;
- 2) Blakeley Auction Company conducted the auction at a cost of \$5,398 and registered a total of 60 bidders;
- 3) Use of the school (auditorium) for a fee of \$150;
- 4) Courtesy notices to adjacent property owners at a cost of \$80; and
- 5) The auction event was also supported by five Borough employees—three from Finance and two from Land Management.

The Borough is due to recover \$52,255 in unpaid real property taxes, penalties, interest, and other related costs. In addition, excess proceeds of the auction total \$164,130. Pursuant to state statutes, the prior record owner will be notified of their right to claim excess proceeds.

In addition to the 28 parcels sold, 21 were repurchased after Ordinance 2017-20 was enacted and prior to sale at auction, one parcel was conveyed to the City of Kenai, pursuant to AS 29.45.450.

Lastly, Land Management conducted a survey at the auction as we are considering going to an on-line format to bring about some costs savings but wanted to gauge the prospective bidder's opinion towards this incentive. Out of the 27 surveys that were received 23 preferred the outcry auction and were not in favor of an online format. Attached is a summary of the complete survey results.

2017 Tax Foreclosure Auction Survey Results

Total Number of Surveys Received: 27

- 1. Primarily, how did you hear about the auction? (check one box only)**
 - 3** Word of Mouth
 - 4** Newspaper Advertisement
 - 8** Kenai Peninsula Borough (KPB) Website
 - 4** Mailer
 - 1** Brochure at City Hall (Circle which City: **Kenai** Soldotna Seward Homer)
 - 6** Other – Please Specify:
 - Past experience
 - Family member told me
 - Called KPB
 - Friends told me
 - (2) Land Management Office
 - Cooper Landing Library

- 2. What sources did you use to obtain more information about the land in the auction? (check all that apply)**
 - 18** Auction Brochure
 - 18** KPB Online Services (Simple Parcel Viewer/Public Information Parcel Look Up)
 - 9** Land Management Department Staff
 - 3** Other Agencies – Which Ones?
 - U.S. Army Corps of Engineers
 - Natural Resources Conservation Service (Soil Conservation Service)
 - 1** Utility Companies (HEA, Enstar, GCI, ACS)
 - 2** Other – Please Specify: **Title Company & DNR Recording Office**

- 3. What influenced you to participate in the auction? (check all that apply)**
 - 19** Location/Quality of the Land
 - 15** Property Below Market Cost
 - 4** Other – Please Specify:
 - Curiosity
 - Helping children get property
 - Parcel was adjacent to mine
 - Neighborhood Issues – wanted to move away

- 4. Did you personally inspect the property prior to the auction?**

19 Yes 8 No

5. **Do you like the outcry auction sale method?**

23 Yes 4 No

6. **Would you like to see this auction conducted online?**

3 Yes 23 No 2 Unsure

7. **Have you participated in the Tax Foreclosure auction before?**

12 Yes 15 No

8. **How could this auction be improved?**

- Coffee from Khaldi Brothers & donuts from Moose's Loose
- It was perfect
- Free coffee and donuts
- Have the auctioneer go a little slower – he missed a few bids
- You are doing good
- I love it
- Finance available would increase total bids and price along with participation
- Clear title up before auctioning

9. **Any additional comments?**

- Very well laid out – easy to understand. I really like how the online packet was updated frequently.
- More information on the property – prior owners and if there are any liens
- Make the auction before dividend checks come out
- Maintain a mailing/email list – update to rolls ongoing
- You guys are awesome!
- The ladies at the registration were helpful and nice
- The group putting on the auction was great